


REPORT

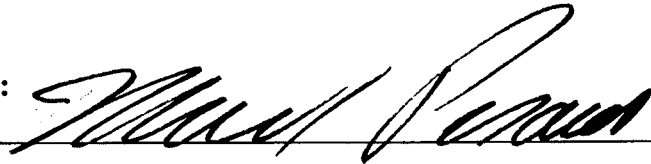
DATE: February 3, 2005

TO: Administration Committee
Regional Council

FROM: Heather Copp, Chief Financial Officer, 213-236-1804, copp@scag.ca.gov 
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SUBJECT: Approve conditions for SCAG to enter into Memorandum of Understanding (MOU) with the County Transportation Commissions and Caltrans on a Multi-County Goods Movement study.

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve conditions for SCAG to enter into Memorandum of Understanding (MOU) with the County Transportation Commissions and Caltrans on a Multi-County Goods Movement study.

SUMMARY:

Staff is asking the Regional Council to approve an exception to the current consultant contracting process that would allow SCAG to enter into an MOU where Los Angeles County Metropolitan Transportation Authority (LACMTA) would conduct the contracting process for a Multi-County Goods Movement Action Plan if certain conditions are met.

BACKGROUND ON CONSULTANT POLICY:

In February 2002, SCAG implemented a policy based on the Contract Best Practices, that provides if SCAG contributes funds for a project (federal, state, or general fund) the consultant contracts would be between SCAG and the consultant. This policy allows SCAG to ensure that the procurement and administration of the consultant contracts are consistent with federal and state requirements as well as applicable SCAG policies.

BACKGROUND ON PROJECT:

The issue of goods movement is critical to the region's economy, and rapid action is needed both to avoid losses of trade to other parts of the nation and hemisphere, and to alleviate unacceptable public health impacts associated with goods movement.

Since Spring 2004, SCAG has been collaborating with the five County Transportation Commissions and four Caltrans districts in our region on a Multi-County Goods Movement Action Plan. This project is an unprecedented collaboration between these entities to develop a consensus strategy for goods movement system infrastructure needs in the SCAG region, including short-, medium-, and long-term projects and strategies. Over several months, the team has worked together to develop a mutually agreed upon scope of work and project management structure. Under the project management structure, LACMTA would be responsible for the procurement of the consultant as well as the administration of the contract.

As of December 2004, SCAG was awarded \$300,000 in State Planning & Research grant funds for FY 04-05 for this project. This funding is matched in the grant with \$500,000 of CTC funds and \$7,500 in in-kind

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contributions. In addition, SCAG has previously committed \$150,000 of consultant funds from this year's Overall Work Program to this effort.

POLICY IMPACT:

In light of the collaboration efforts which have taken place, staff is requesting that the Administration Committee and Regional Council authorize SCAG to enter into a Memorandum of Understanding with the County Commissions and Caltrans which would allow LACMTA to procure and administer the consultant contract as long as the following conditions are met;

1. SCAG must have the ability to approve the consultant selection process.
2. SCAG will be on the selection panel.
3. All federal and state flow-down provisions will be specified in the RFP and contract.
4. SCAG is indemnified by the agency(s) that are conducting the procurement.

FISCAL IMPACT:

In the past, allowing a third party to contract for consultant services has resulted in significant financial exposure to SCAG and concerns by Caltrans Audit. However, these conditions set forth in this report should mitigate potential financial impacts on SCAG, but may not eliminate criticism if certain costs are disallowed by our funding agencies.